



The Michigan Chemistry Council's greatest issue of concern is competitive energy rates for our state to grow jobs.

Unfortunately, we cannot support HB 4298 as currently written because it would not accomplish the goal of more competitive energy rates.

**Ratemaking procedures** – The bill would allow utilities to continue to use a number of ratemaking procedures that inflate costs and lead to higher rates for customers. In fact, several of these objectionable provisions are new to the most recent substitute or have now been reinstated after being dropped in prior versions.

**Integrated Resource Planning (IRP) process** – The bill would allow utilities to control the process for planning Michigan's energy needs, and would not allow enough participation by other interests, including ratepayers or independent generators. Most importantly, it still does not include a competitive bidding process that is vital for controlling costs. If ratepayers will be on the hook for major long-term investments, we need a process to ensure they are getting the best value.

**Electric choice market** – The bill proposes an extremely flawed process for guaranteeing adequate capacity that would exclude certain reliable resources in favor of building generation by in-state utilities. It would also place a number of punitive limits on choice customers, including businesses, schools, and universities. The practical effect would be to severely restrict Michigan's competitive markets over time. Instead of Michigan creating its own state capacity process that will result in even higher rates for customers, lawmakers should seek to better coordinate with MISO's existing resource adequacy guarantees.

*Our suggestions: The House Energy Policy Committee needs more time to consider this complicated legislation and get this issue right. Contrary to some claims, Michigan is not under an imminent deadline to rewrite all our state energy policies. This legislation should be developed in its committees of jurisdiction with the earnest consideration of input from all parties.*

**We urge you not to support HB 4298 as written.**